

DIRECTORATE OF INTELLIGENCE

# Central Intelligence Bulletin

**Secret** 50 27 May 1970

DIA and DOS review(s) completed.

No. 0126/70 27 May 1970

## Central Intelligence Bulletin

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Israel-Lebanon: Israeli troops crossed into Lebanon yesterday for the second day of preventive patrols against the fedayeen.

The Israeli commanding general in the area has publicly stated that such patrols will be sent out as long as they are considered necessary. He believes that Tel Aviv's new policing policy not only will protect Israeli settlements along the border but also may stop the exodus of Lebanese villagers from the area.

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In Lebanon, labor, religious, political, and Palestinian leaders directed a nationwide strike demanding a stronger military stance against Israel. The strike, proclaimed 98 percent effective by its leaders, closed schools and shops, and forced a three-hour shutdown of Beirut International airport.

Japan-Okinawa: The left is exploiting the nerve gas issue in an effort to revive its flagging campaign against renewal of the US-Japan mutual security treaty.

The Japanese opposition parties, aided by heavy press coverage, are exploiting the emotional public reaction to US cancellation of plans to remove chemical weapons from Okinawa. The opposition and press are alleging that the US has broken its promise to transfer the weapons and that it is more concerned with the lives of its own citizens than with the Okinawans.

The government has also made an official request to the US for prompt removal of the nerve gas, but at the same time is taking a "wait and see" attitude on the issue in an effort to dampen public reaction.

The Japan Socialist Party, the largest opposition group, intends to make the gas issue one of the main themes of its demonstrations planned for next month against extension of the treaty. Concern over the presence of nerve gas on Okinawa has been particularly high since an incident last July, when a number of US servicemen were overcome by leaking fumes.

The left will probably need more than the nerve gas issue to revitalize its antitreaty campaign, which was badly undercut by the electoral disaster suffered by the Socialists in December and by popular satisfaction with the Okinawan reversion agreement. The issue, however, is likely to be a growing source of embarrassment to the Sato government if further delays are encountered in finding an alternate site for relocation of the chemical weapons.

South Africa: Prime Minister Vorster's visit to Malawi confirms his intention to proceed with the controversial policy of establishing friendly relations with neighboring black states.

An official visit to Malawi, the only black African state to establish diplomatic relations with South Africa, apparently had been discussed for some time. Vorster waited until after the parliamentary elections in April in order to keep the visit from becoming an issue in the campaign. His decision to make the trip less than a month later, however, is a measure of his confidence that the electorate endorsed his policy, despite a minor election setback for his party. The last minute addition of a two-day stopover in Rhodesia presumably was intended to balance the trip and fend off critics at home.

Although no major announcements were made, South African aid to Malawi was probably discussed and some aid agreements were reached that will be announced later. South Africa now provides most of the financial backing for construction of the new Malawian capital at Lilongwe.

Trinidad: The government is responding to the recent black power unrest by putting a financial squeeze on foreign businesses.

The three largest foreign firms in the country have been requested to turn over to the government up to 50 percent of their outstanding common stock. Some smaller local firms recently announced they would offer stock to the public, probably to head off anticipated government demands on them as well.

In addition, the administration apparently plans an extensive public housing program to help relieve urban discontent. This program would be financed at least in part by "voluntary" contributions from foreign companies. Thus far, the government has not proposed to legislate levies on the foreign concerns, and major investors have not replied to the unofficial demands, which probably reflect the government's initial bargaining position.

Prime Minister Williams' economic offensive is a result of last month's civil disturbances. A chief complaint of black power agitators at that time was the dominant influence of foreign investors in the country. Williams' attitude is indicative of a growing trend throughout the Caribbean to reassess the role of foreign establishments in the economy.

UN - Outer Space: The results of the recent session of the UN working group on direct broadcast satellites indicate that the question of regulating the uses of outer space will likely remain controversial.

The working group, a subsidiary of the General Assembly's outer space committee, is considering how the technology being developed for direct broadcasting by satellites can best be utilized for international benefit. Most of the other participants in the working group are disappointed that the US is reluctant to agree to international action in this area on the grounds that the requisite technology is hypothetical.

The US was alone in its opposition to the drafting of a set of legal principles to govern the establishment, operation, and program content of direct broadcasting by satellite. The Soviet, French, and Latin American working group members were particularly insistent that such principles be formulated. Moscow's key concern is acceptance of the principle that a receiving state must give its consent before a broadcast is beamed to it by satellite.

The Latin American members also expressed a concern that the present space powers could preempt available orbital slots before other countries would be in a position to participate in the orbiting of satellites. Their emphasis on the potential "cultural imperialism" of the space powers struck a responsive chord among many of the less developed states, who will probably exert further pressure against the policies of the space powers at the fall session of the General Assembly.

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#### NOTES

Communist China - North Vietnam: The announcement of a new agreement to supplement Peking's current economic and military aid highlights Chinese support of Hanoi, but probably will not significantly alter the ongoing Chinese aid program in North Vietnam. Although no details were announced, the relatively low level of the North Vietnamese delegation that signed the agreement in Peking suggests it is routine. Last year Chinese military aid of about \$105 million and economic deliveries of about \$90 million were a poor second to Soviet assistance. Chinese economic assistance since 1965 has consisted largely of foodstuffs, manufactured goods, and other commodities to meet short-range economic needs. Recent visits to North Vietnam by Chinese technicians, however, indicate that Peking may be preparing to rebuild some large industrial projects.

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Honduras - El Salvador: The scheduled meeting of the Central American foreign ministers has been postponed as a result of a Honduran request that the OAS-sponsored negotiations with El Salvador be given a last chance to succeed. The Honduran foreign minister, fearing that his country would be at a greater disadvantage in a Central American forum, has stated that every effort should be made by the diplomatic and military representatives now meeting informally in Washington to agree on establishment of a demilitarized zone. He has instructed the chief Honduran representative to seek an accommodation with El Salvador. Should the two countries remain deadlocked, however, the Central American foreign ministers probably will meet in Costa Rica next week.

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Haiti: Continued arrests and military transfers stemming from the investigation of the coast guard revolt last month are keeping the armed forces uneasy. Thus far, the mild purge has primarily affected middle levels. The recent arrests of several police officers in Port-au-Prince, however, combined with the stationing of large numbers of civil militia in the capital, have fueled speculation of a high-level shake-up. The presence of the militia, which is considered highly loyal to President Duvalier, is probably intended to keep apprehensive officers in line while the investigation continues. It is also possible that some militia units may serve as permanent replacements for police or armed forces units in order to re-<u>inforce Duvalier's co</u>ntrol.

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